
Government of the District of Columbia



Child and Family Services Agency

Testimony of
Uma Ahluwalia
Interim Director

***“Child and Family Services Agency
FY 2007 Budget Request Hearing”***

Committee on Human Services
Adrian Fenty, Chair
Council of the District of Columbia

April 3, 2006

Council Chamber
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004
10:00 a.m.

Testimony of
Uma Ahluwalia
Interim Director, D.C. Child and Family Services Agency
before the Council of the District of Columbia, Human Services Committee

Fiscal Year 2007 Budget Request

Good morning, Chairman Fenty and members of the Human Services Committee. I am Uma Ahluwalia, interim director of the District's Child and Family Services Agency (CFSA). During Fiscal Year 2007, the Federal Court will evaluate District child welfare performance against court-ordered outcomes under the *LaShawn* Final Implementation Plan. The hard work and dedication of CFSA's employees, child welfare stakeholders, and elected officials have brought us to this critical point in our collective efforts to reform the District's child welfare system and to improve the lives of the city's most vulnerable children and families. As CFSA managers and staff make the final push to reach—and then to maintain—these crucial goals, we must be able to count on the city's continued political will and support.

To date, our hard work and judicious use of the city's investments have brought District child welfare to an unprecedented level of performance and organizational strength. I want to highlight three strategic outcomes that characterize that performance.

- **First, the citywide child welfare system is, for the first time, focused on achieving permanence for children promptly** and largely in compliance with the Federal Adoption and Safe Families Act. In FY05, the District moved 942 children to permanence through family reunification, guardianship, or adoption. This is nothing short

of a major sea change from the condition of children languishing in the system for years, which brought about the LaShawn lawsuit.

- Second, **sound management has replaced the expedience and chaos that characterized the local child welfare program for decades.** Today, we are in compliance with District contract laws and regulations and on schedule to implement performance-based contracting with our major providers. Payments to providers are current and include verification of all invoices, which ensures accountability for use of public funds. Our automated case management system provides hundreds of regular reports as a basis for strategic making and corrective action—and is one of only a dozen systems in the nation to achieve Federal Government certification as a Statewide Automated Child Welfare Information System or “SACWIS.” We are almost fully staffed with social workers for the first time in District history.
- Third, **we have worked with national experts to institutionalize progressive best practices, which are putting the District on par with the highest performing child welfare systems in the nation.** Among these are Family Team Meetings, Structured Decision Making, case plans for 90 percent of foster care cases, and licensing of 82 percent of foster homes.

These achievements clearly show that the District has built a stronger and more durable safety net for abused and neglected children and troubled families. The FY07 budget presents a further opportunity for the District to put the finishing touches on that safety net and to demonstrate serious intent to maintain it.



A Strong District Safety Net for Abused and Neglected Children



★System-wide Focus on Permanence for Children *Major sea change from children languishing in foster care for years*

- Permanence for 942 children in FY05;
- Fourth highest Federal adoptive incentive award in the nation for reducing number of children awaiting adoptive placement;
- Adoption subsidies up 5%, guardianship subsidies up 38%;
- District in compliance with Adoption and Safe Families Act for the first time; and
- Current Administrative Reviews for 99% of foster children.

★Sound Management *Financial, personnel, contracting, and information systems*

- Lowest employee vacancy rate in history;
- Current payments to major providers;
- Verification before payments, ensuring good stewardship of the public trust;
- Contract reform;
- In compliance with District contracting and procurement laws and regulations;
- Hundreds of regular management reports for planning and decision making;
- One of a dozen jurisdictions in the nation with Federal SACWIS certification; and
- On track to implement performance-based contracting.

★Progressive Best Practices and Innovative Approaches *On par with highest performing child welfare systems in the nation*

- 437 Family Team Meetings in English and/or Spanish in 2005;
- Structured Decision Making;
- Family Finding and Youth Connections;
- Partnerships with DMH, DYRS, APRA, Family Court, and others;
- Holding providers and foster parents to basic health/safety standards via licensing and monitoring;
- Increase in case plans for foster children from 23% in FY02 to 91% in FY05; and
- Internal organizational development and quality assurance.

MAYOR'S FY07 BUDGET REQUEST

Turning to the Mayor's FY07 budget request for CFSA, the total is \$ 250,919,093, which includes \$167,214,913.00 in local dollars and \$83,704,180 in Federal and other revenue. It reflects a 1.2 percent decrease from the revised Fiscal Year 2006 budget. This decrease is due, in large part, to a projected decrease in Federal Title IV-E (foster care) revenue and no special federal appropriation for CFSA is expected for FY07. With regard to the foster care revenue, during FY06, CFSA and the OCFO have engaged a contractor to review and clean up pending claims for Federal foster care reimbursement. We anticipate that the result will be a one-time "bump" in federal foster care revenue during FY06.

With respect to Local Funds, the budget reflects a modest increase of 1.5 percent from the revised FY06 budget. The Local Funds budget includes technical adjustments to the baseline, reflecting partial restorations of funds as a result of:

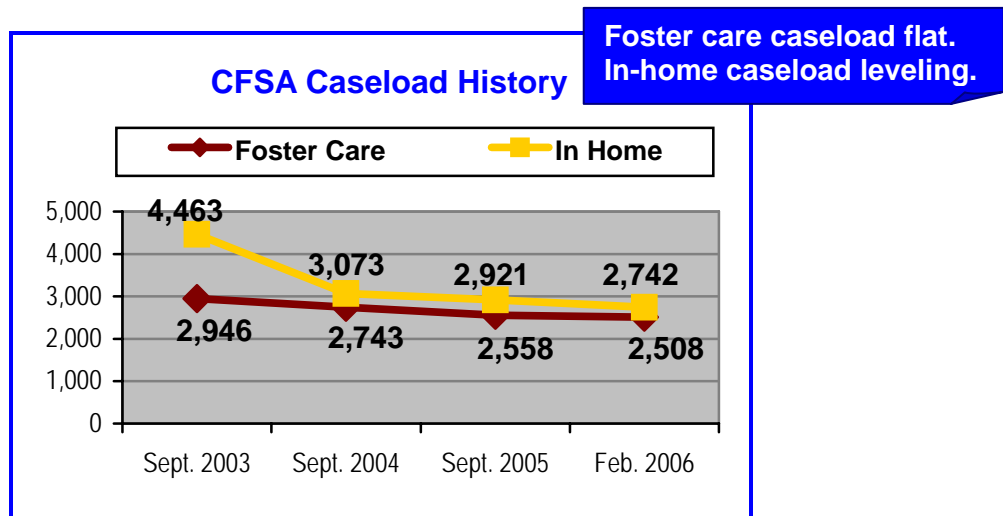
- Congressional failure to enact legislation to increase the District's Title IV-E rate and
- CFSA success in filling vacant positions.

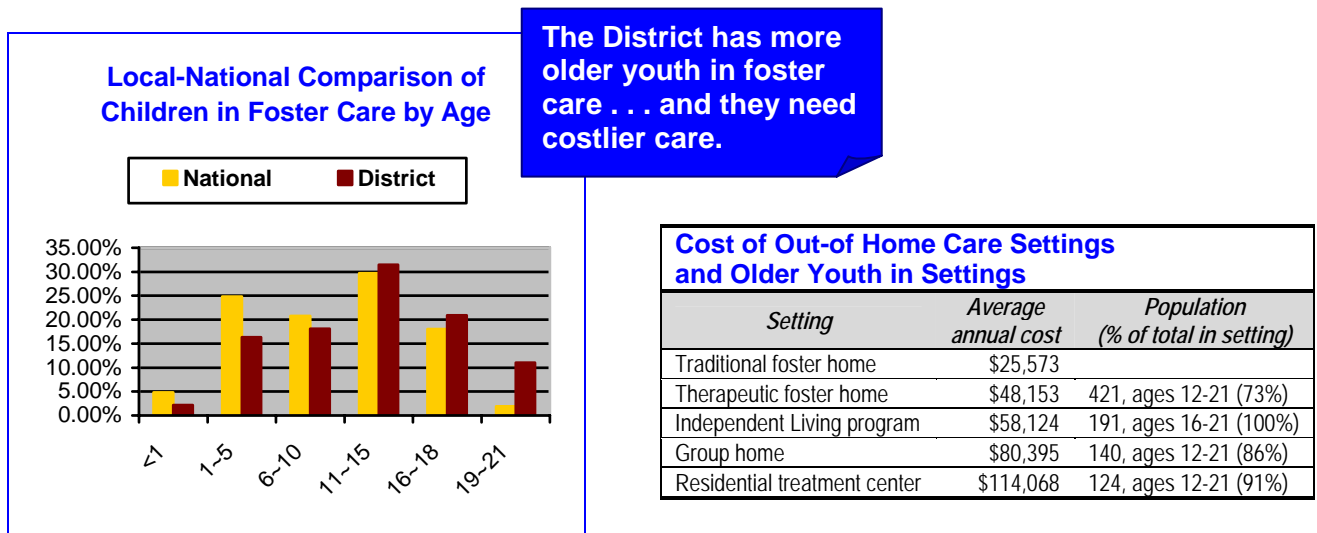
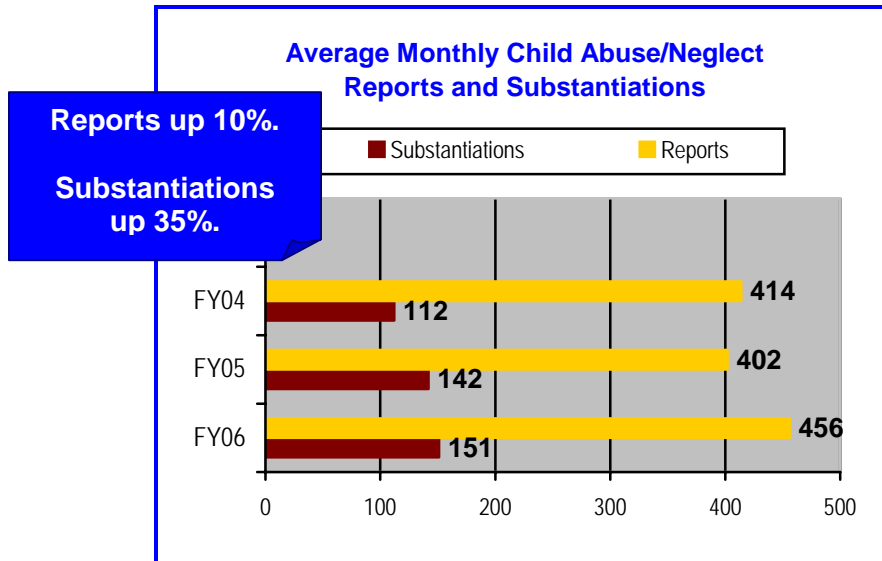
The Local Funds budget request also reflects savings of \$1 million in tutoring/mentoring contracts, \$1 million in back payments to providers (since payments are now current), and \$500,000 in other cost savings, which we will generate by moving local expenditures to Federal funding sources. This Local Funds request includes one program enhancement of \$2 million for the Grandparent Caregiver Subsidy Pilot Program. Finally, if the city identifies additional revenue during the year, the Mayor proposes a program enhancement of \$3.9 million for CFSA to cover new adoption and guardianship subsidies.

The Mayor's proposed budget is based on analysis of trends among the children and families CFSA serves as well as recognition of reductions in Federal funding streams for child welfare. Four trends underlie budget projections to support the 8,216 children CFSA is currently assisting. Three are highly predictable in an environment of successful child welfare reform.

- First, in the early years of child welfare reform, the District experienced predictable sharp annual declines in the foster care population as we moved children who had languished in the system for years to permanent homes. Now, after five years of diligent local child welfare reform, **the foster care population is flat, while the number of children monitored at home is in the final stage of reduction with only an 8% drop since March of last year.**
- Second, **exits from and entries into foster care are now about equal**, so we cannot project a decrease in the foster care population in FY07. CFSA is experiencing a steady increase in the number of new reports of abuse and neglect as well as an increase in the substantiation rate. The monthly average of child abuse reports so far in FY06 is 456 compared with 402 in FY05. Substantiations of child abuse and neglect have increased 37 percent from two years ago.
- Third, as a result of success in achieving permanence for more children more quickly, **the District has experienced increases of 5% in adoption subsidies and 47% in guardianship subsidies over the past year.** The fact that the number of children in the local child welfare system has largely leveled out while the number of guardianship and adoption subsidies continues to grow mitigates further reductions in the budget.
- Fourth, **children now remaining in foster care long term are those with serious, multiple issues or other barriers to prompt reunification, guardianship, or adoption, which translates into a higher cost of care per child.** Like all child welfare systems, the District has a core group of foster children whose physical, emotional, and/or

behavioral issues mean they need costly, intensive care and probably will not find permanent homes despite our most diligent efforts. In addition, decades of failure to focus on permanence have left the District with a growing population of older youth in foster care. From 2002 to 2005, youth ages 12 to 21 in foster care grew from 48% to 58%. Although we continue to work toward reunification, guardianship, or adoption for many of these youth, they remain in care for an average of 56 months, as opposed to 25 months for children under age 12. Meeting their needs often means placing them in intensive—and expensive—out-of-home care settings.





So to recap briefly, key assumptions, indicators, and trends that have a significant impact on CFSA's FY07 budget are:

- Sound fiscal management and good stewardship of the public trust at CFSA, including verification of all demands for payment and continued timely payments to providers.
- A flat local child welfare caseload.

- Increasing adoption and guardianship subsidies as a result of District-wide success in achieving permanence for more children more quickly.
- A growing percentage of the child welfare caseload composed of children with serious, multiple needs and older youth with higher cost of care per child.
- The need to place finishing touches on the city's first viable safety net for abused and neglected children and troubled families, to demonstrate to Federal Court the District's commitment to maintaining that safety net, and to end the *LaShawn* lawsuit.

POTENTIAL FISCAL IMPACT OF RECENT FEDERAL ACTIONS

While the Mayor has formulated the CFSA budget in a responsible and prudent manner, Congress and the President have very recently taken budgetary actions that will have a potentially significant impact on CFSA's budget. I want to take this opportunity to explain enacted and proposed changes in Federal law that will have, or may have, an impact on local ability to collect Federal revenue for child welfare.

- First, the recently effective Deficit Reduction Act (DRA) reduces child welfare agencies' ability to claim under Title IV-E for certain administrative costs. The DRA also greatly reduces the scope of Medicaid's targeted case management benefit by eliminating claims for activities such as assessing adoption placements, recruiting foster parents, investigating homes, administering subsidies, and making placement arrangements.
- Second, the President's FY07 budget proposal calls for further reductions in the Social Services Block Grant and identifies other funding changes that may affect Title IV-E reimbursements.

- Third, on the plus side, the President's FY07 budget again includes a proposal to increase the District's Title IV-E rate, although the legislative vehicle to accomplish this still has not been identified.

We will work closely with our Federal partners as well as our partners in the OCFO, other District agencies, and this Council over the coming weeks to provide a quantifiable fiscal impact of the Federal actions and our plans to react to these changes.

CFSA PROGRAM MANAGEMENT ISSUES

I want to comment briefly on mental health services for children, our partnership with the Healthy Families/Thriving Communities Collaboratives, and social worker recruitment.

In FY06, CFSA transferred most of the responsibility and associated dollars for mental health services for children in the child welfare system to the Department of Mental Health (DMH), keeping only \$2.1 million in CFSA's budget. The District cannot exit Federal Court oversight without meeting the mental health needs of the children CFSA serves. We have been working closely with DMH, under the auspices of both our court monitors, to address the need for seamless mental health services for abused and neglected children. New DMH Director Stephen Baron will begin his new role on April 10, and we want his contributions on design issues. His expertise in Baltimore City will be invaluable in analyzing current resources, service effectiveness, gaps in services, and funding opportunities. We are committed to providing you with a comprehensive briefing immediately upon completion

At CFSA's Oversight Hearing in February, a significant portion of the discussion focused on prevention. The Collaboratives are designed to be a major force in preventing entry or re-entry into the child welfare system. To date, both the District and CFSA have made significant investments in prevention through the Collaboratives and other partners. These are wholly local investments for which Federal reimbursement is unavailable.

In the past months, CFSA and the Collaboratives have jointly developed a strong approach to program redesign. It is clear that for the public child welfare agency to succeed, the front end of the local child welfare system must be strong and well resourced. However, given impending deadlines for meeting *LaShawn* requirements, we are unable at this time to redirect dollars from the CFSA budget to the Collaboratives. We are committed to continued partnership with the Collaboratives and will seek opportunities through grants and other mechanisms to support prevention.

In regard to social worker recruitment, as of March 28, we had filled 879 of 906 funded positions out of 953 approved FTEs. We have start dates for an additional 29 employees, which will bring our on-board total to 908. This translates to a vacancy rate of only 4.72% against the 953 approved FTEs and 0% against the 906 funded positions. We are closely monitoring our hiring trends, both in terms of new hires and separations, in order to determine if the current funding levels for personnel services costs are adequate.

CONCLUSION

In closing, three mandates drive District child welfare: safety, permanence, and well-being.

Safety of children from abuse and neglect is paramount, and 47.4 percent of the proposed FY07

budget will support investigations, preventive and early intervention services, family

reunification, placement services, case management, in-home services, training, quality

assurance, data collection and management and facilities. Fully 29.1 percent is earmarked for

finding and supporting permanent homes for

children, including case management and

adoption and guardianship subsidies. Child and

family well being represents 14.4 percent of

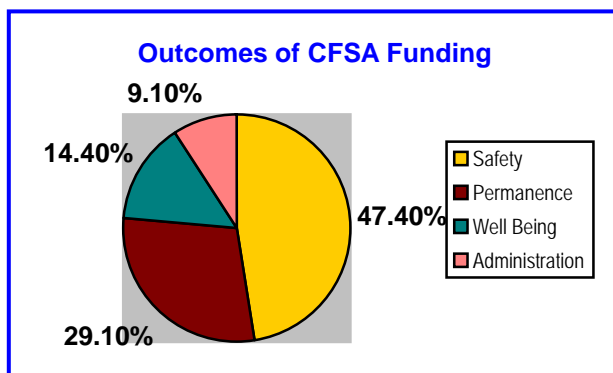
the proposed budget, including a portion of

investigations, mental and physical health

services, substance abuse services, educational support, mentoring, and day care. The remaining

9.1 percent will support essential administrative functions including Human Resources,

Contracting & Procurement, Fiscal Operations, and planning and policy development.



The District is now just months away from reaching its goal of a child welfare system that

provides consistent, quality services to abused and neglected children without Federal Court

oversight. Strategic improvements I listed earlier—success in achieving permanence for children

quickly, sound management, and institutionalization of progressive best practices—are

monumental and without precedent in the history of District child welfare. CFSA is doing our

part by working swiftly and diligently to meet the remaining Federal Court requirements. We

need and respectfully request your continuing political will and commitment to giving abused and neglected children the very best the District has to offer. Thank you.